

Written evidence submitted by Hybu Cig Cymru – Meat Promotion Wales (HIL0002)

Hybu Cig Cymru - Meat Promotion Wales (HCC) is the statutory industry-led levy organisation responsible for the development, promotion and marketing of Welsh lamb, beef and pork. It undertakes promotional campaigns at home and abroad, is involved in research and development which benefits the efficiency and sustainability of the whole red meat supply chain, as well as collating and analysing market intelligence.

HCC has been asked to comment on the impact of major policy changes, particularly international trade and climate change, on family farms in Wales.

How unique are family farms and how significant is their contribution to Wales' cultural life?

Wales is characterised by an upland and mountainous topography. This landscape, alongside the maritime climate of Wales, result in a large proportion of agricultural land (80 percent)¹ being categorised as 'less favoured areas' (LFA). The climate and terrain in Wales therefore dictate the type of agricultural landuse, resulting in the majority of the land being best suited to pasture and livestock farming (sheep and cattle).

Wales' agricultural land is divided between 25,000 active holdings (2019),² with an average holding size of 48 hectares (compared to an average size of 87 hectares in England).³ Holdings in Wales are therefore generally considered small, and most, particularly those located in the hills and uplands, are family-run.

The agricultural sector in Wales, underpinned by these family-run hill and upland livestock holdings, provide vital economic activity and employment in rural areas, which supports rural community cohesion, provides cultural and well-being benefits and safeguards Wales' extensive natural resources. A thriving agricultural sector (underpinned by family farms) also contributes to social capital in rural areas in the form of co-operation and mutual support, both within the farming community and between farm businesses and the wider community.

¹ Welsh Government. Agriculture in Wales. 2019.

² HCC. Little Book of Meat Facts: Compendium of Welsh Red Meat and Livestock Industry Statistics 2020.

³ DEFRA. Agriculture in the United Kingdom 2020.

- Aggregate agricultural output (gross output) in Wales is worth £1.7 billion (2020) to the economy,⁴ with agriculture representing a higher percentage of the Wales economy compared to the UK as a whole (agriculture represents 1 percent of the total Gross Value Added [GVA] for Wales,⁵ compared to 0.6 percent across the UK).⁶
- 52,800 people work directly in the agricultural sector in Wales (2020),⁷ and those working in agriculture, forestry and fishing represent 3.2 percent of workforce jobs in Wales - higher than the UK average of 1.1 percent.⁸
- In rural areas there are other businesses that depend on agriculture to make their living, thus extending the economic value of agriculture for the area. The Welsh livestock sector is currently based on a critical mass of small enterprises, contributing to a greater whole which supports economic activity and employment across large areas of Wales. Research suggests that family farms in Wales procure over 80 percent of goods and services from within a 25-mile radius of the holding,⁹ thus making a wider contribution to local economies and communities.
- The agricultural sector in Wales also makes an essential contribution to preserving the Welsh language, as recognised by the Welsh Government's *Cymraeg 2050: A million Welsh speakers Action Plan 2019–20*. In Wales, the agriculture, forestry and fisheries sectors have an estimated 10,600 Welsh speakers,¹⁰ which represents 43 percent of the total working population and is higher than in any other employment category.¹¹
- With agricultural production accounting for 90 percent of the land use in Wales,¹² it clearly also plays a major role in contributing to the wider management of Wales' natural resources. The livestock sector produces quality food on land which is largely unsuitable for other productive purposes, in non-intensive ways which depend on fewer additional inputs.
- Agriculture in Wales contributes to revenue generated by tourism through management of the landscape and through provision of tourist accommodation and attractions. The Welsh landscape is a key component of the Visit Wales campaign and is identified as a key motivation for visitors.¹³ Tourism contributes £2,844 million to GVA in Wales and supports approximately 122,900 jobs.¹⁴

⁴ Welsh Government. Aggregate agricultural output and income. 2020.

⁵ StatsWales. Gross Value Added in Wales by industry. 2019.

⁶ Welsh Government. Agriculture in Wales. 2019.

⁷ Welsh Government. Survey of Agriculture and Horticulture: Results for Wales. June 2020.

⁸ Welsh Government. Agriculture in Wales. 2019.

⁹ Amaeth Cymru. The future of agriculture in Wales: the way forward. 2017.

¹⁰ Data from the 2011 census which is the most recently available population data.

¹¹ Welsh Government. Agriculture in Wales. 2019.

¹² Welsh Government. June 2020 Survey of Agriculture and Horticulture: Results for Wales. 17 December 2020.

¹³ Welsh Government. Agriculture in Wales. 2019.

¹⁴ Welsh Government. Agriculture in Wales. 2019.

What are the main challenges facing family farms specifically, and farming communities more generally, in Wales?

Uncertainty over agricultural policy and support post Brexit, and the extent of continued restrictions as a result of the coronavirus pandemic and anticipated non-tariff barriers as a result of Brexit; alongside the climate crisis, present significant challenges for the Welsh agricultural sector, both at a farming communities' level and at a family farm level.

- Uncertainty remains regarding the proposed changes to policy post Brexit, which presents a challenge to the industry as planning decisions are difficult. Current agricultural production patterns and supply-chain configurations have evolved over time, reflecting historical and on-going CAP support arrangements. Adaptation to different support arrangements will require a phased transition to avoid disruption within the agricultural sector given the length of production and planning cycles and rigidities in land, labour and capital allocations.
- With each part of the UK looking to introduce differing agricultural policy post Brexit, it is also crucial that market distortion is avoided within the UK, where food producers in one part of the UK may be at a financial disadvantage to producers in other parts of the UK due to land management policy design.
- Covid-19 has been an unprecedented globally-shared pandemic event with wide-ranging repercussions, which continue to impact on the sector. The full extent of the repercussions is yet to be known. Covid-19 has impacted on international trade flows and consumer behaviour and now as Covid restrictions ease, it is difficult to predict if consumer demand patterns will revert to their pre-2020 state.
- Opportunities to trade around the World are important to the Welsh red meat industry, as currently Welsh red meat exports are worth £200 million a year.¹⁵ Achieving market access with minimal barriers is therefore important as barriers result in severe disruption, impacting on sales and business viability. There is also a need to ensure that trade negotiations do not disadvantage UK red meat businesses in the home market.
- The climate crisis is urgent and global in scale. Humanity is facing the challenge of producing enough high-quality food and distributing it equitably amongst a growing population. Short-term solutions should be avoided that further degrade the atmosphere and soil of our planet and jeopardise the food security of future generations.

¹⁵ HCC calculations using HMRC data. 2020.

What are the potential implications of free trade agreements for farmers in Wales?

Tariffs and trade are the foremost concerns relating to the UK trade discussions.

- Free trade agreements offer global market opportunities for Welsh red meat exports, which are anticipated to be potentially lucrative. Achieving market access with minimal barriers (both tariffs and non-tariff measures) is therefore important.
- There is a need to ensure that trade negotiations do not disadvantage UK (and Welsh) red meat businesses in the home market and to ensure that any imported meat into the UK adheres to the same standards (or above) as UK production, specifically in terms of animal welfare, environmental standards, food safety and food hygiene. Welsh red meat is currently produced to world-leading standards of welfare and environmental management, underpinned by the PGI scheme for lamb and beef which is administered by HCC.
- It is also essential that high profile, clear labelling of any imported product where the country of origin is obviously stated on packaging and/ or menus is made a legal requirement and is rigorously enforced.
- Protecting UK products from imitation in the overseas markets is also essential, products such as PGI Welsh Lamb and PGI Welsh Beef which have Protected Food Name status. Protection of these products as a part of the trade deals is crucial so that only lamb and beef born and reared in Wales can be branded as Welsh.

How, if at all, is the UK Government's climate change policy agenda impacting on family farms, including the future generations of farmers, and rural communities in Wales?

In late 2020, working with scientists in Bangor University, in collaboration with the University of Limerick, HCC published a document on Welsh red meat production, its climate impact and potential mitigation activities – *The Welsh Way*.¹⁶ This document places Welsh livestock production in its global context, uses the latest methodology to measure emissions and carbon sequestration on beef and sheep farms, identifies where further improvements can be made, and articulates a vision that Wales has the potential to be a global leader in sustainable meat production.

The document highlights that an overly-simplistic approach to policy in the area of climate change, diet, land use and global food security risks having negative consequences. It concludes that recognition should be made that production systems in Wales are vastly different from the damaging and intensive farming practices that are employed in other parts of the world, and that Welsh livestock farming has an opportunity to be part of the solution to climate change. This

¹⁶ HCC. The Welsh Way: Towards Global Leadership in Sustainable Lamb and Beef Production. 2020. <https://meatpromotion.wales/en/industry-resources/environment>

conclusion has since been amplified by work at Cambridge University led by Professor Donald Broom.¹⁷

What practical steps can the UK Government take to support these communities and how should the UK and Welsh governments work together to support these communities' unique culture, including their contribution to the Welsh language, and heritage?

Welsh Government policy post-Brexit proposes to support the agricultural sector adjust to future market forces and thrive in a global marketplace whilst protecting natural resources. It is therefore crucial that when implementing these policies that the Welsh Government ensure any changes do not adversely impact on the essential role of agriculture in food production, the rural community and in wider cultural and well-being elements.

A prosperous and resilient Welsh agricultural industry can have far reaching benefits, in terms of growing the rural economy, safeguarding jobs, enhancing natural resources and preserving Welsh culture, heritage and language. Therefore, a strategic focus is needed, which is market driven and outcome focussed:

- Full chain integration is critical to join up market signals in terms of supply and demand.
- Measures to improve efficiency and productivity are necessary to support wider environmental challenges.
- Environmental enhancement through changes in land management should be undertaken in conjunction with livestock production, such as by encouraging mixed grazing, as this will deliver both environmental benefits and also improve business resilience (and therefore have a positive impact on the wider rural economy).

Radical changes in land-use do not offer the most effective way to maximise rural Wales' contribution to mitigating climate change. Maintaining a critical mass of livestock production helps ensure the economic and cultural sustainability of Wales, and assists in meeting its global food security obligations.

- Limited changes of land use, for instance through targeted forestation or renewable energy generation, have a role to play. However, such changes can also have a negative short-term and medium-term impact, so any such interventions need to be well researched and integrated within farm systems.
- There is also a need to protect family farms and land in Wales from being used by multi-national companies to off-set their carbon emissions. Agricultural land in Wales is increasingly being used for carbon off-setting, where land use is changed from productive agricultural land (producing food)

¹⁷ D Broom. Biological Reviews. A method for assessing sustainability, with beef production as an example. 06 May 2021.

to woodland (for sequestration). This has implications both in terms of food production and the Welsh landscape (impacting upon food security and the aesthetic appeal of Wales for tourism). It also has implications in terms of new entrants to agriculture who are unable to match the finances of multi-national companies.

- Given the dominance of grass production in Wales, there is a strong argument to retain productive livestock to meet the demands of the domestic UK population. Any decline of livestock production in the UK would result in UK consumers' demands for red meat being met by additional imports (which are potentially less sustainable). Policy that switches the supply of lamb and beef from a domestic source to systems overseas is simply off-shoring the emissions, demonstrating a disregard for global social responsibility.

Concern over the global effects of climate change and reports that intensive red meat production produces large amounts of greenhouse gas emissions have fuelled demand for red meat consumption to be significantly reduced or even eliminated from the human diet and substituted with plant-based protein. However, there is a need to balance the perceived negative contribution of livestock to the environment against the positive benefit in terms of food security.

- Red meat is naturally rich in protein, and the vitamins and minerals that it contains offer many health benefits. Studies show that red meat provides essential nutrients that help boost health and well-being, including vitamins A, B, and D, iron, magnesium, zinc, selenium and potassium. Furthermore, the types of iron and zinc found in red meat have better absorption than those found in any other dietary sources.¹⁸
- The Scientific Advisory Committee on Nutrition advises a red meat intake of 70g per day. According to the UK Government's National Diet and Nutrition Survey, the average consumption of red meat is very close to this level. Therefore, there is no nutritional reason to encourage the population, as a whole, to eat less meat.

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¹⁸ Hybu Cig Cymru Meat and Health based on the Meat Advisory Panel (now Food Advisory Board) nutritional factsheets. (2020).